Department of Education
Market Research Highlights

- In FY 1998, the Department of Education (ED) installed a new accounting system, Education's Central Automated Processing System (EDCAPS). Ernst and Young, LLP reviewed the EDCAPS' general ledger application, the Financial Management System Software (FMSS), and arrived at the following conclusions: FMSS may need to revise its year-end closing process and the way it produces automated consolidated financial statements; such revision could assist ED in preparing accurate consolidated financial statements in a timely manner; and FMSS does not allow ED to produce a general ledger trial balance at the reporting group level or the consolidated level. The ED could benefit from vendors' expertise on financial systems in the development of a system to help EDCAPS meet current Government standards. Vendors could also assist ED in the selection and implementation of appropriate feeder systems.

  (See the "OIG Report" and "Auditor Report" tabs.)

- ED needs the financial and programmatic information necessary to effectively manage its student financial aid programs. Many of the Department's student financial aid systems were developed independently by multiple contractors and not as part of a long-range system design strategy. This heterogeneous information systems environment has led to some inability of systems to interface and exchange data, confusion for users, data redundancies and inconsistencies, and delays in program operations. ED could benefit from vendors' expertise in development of a system that would consolidate student financial aid processes and systems to achieve significant cost savings, streamlined management processes, and systems scalability.

  (See the "GAO Reports" and "Trade Press Articles" tabs.)

- In 1998, Congress mandated the creation of the Office of Student Financial Assistance (OSFA) as a performance-based organization. OSFA is tasked with operating the student loan and grant programs, integrating the operations of Title IV systems and databases, and consolidating existing contracts. In recent months the OSFA oversight authority, the Advisory Committee on Student Financial Assistance, commented that data and systems integration could be made more effective.

OSFA and the advisory committee could benefit from vendors' with expertise in enterprise systems migration strategies. Such vendors could help ED assure that modernization plans are feasible, appropriate, and address the concerns of all operational and oversight organizations.

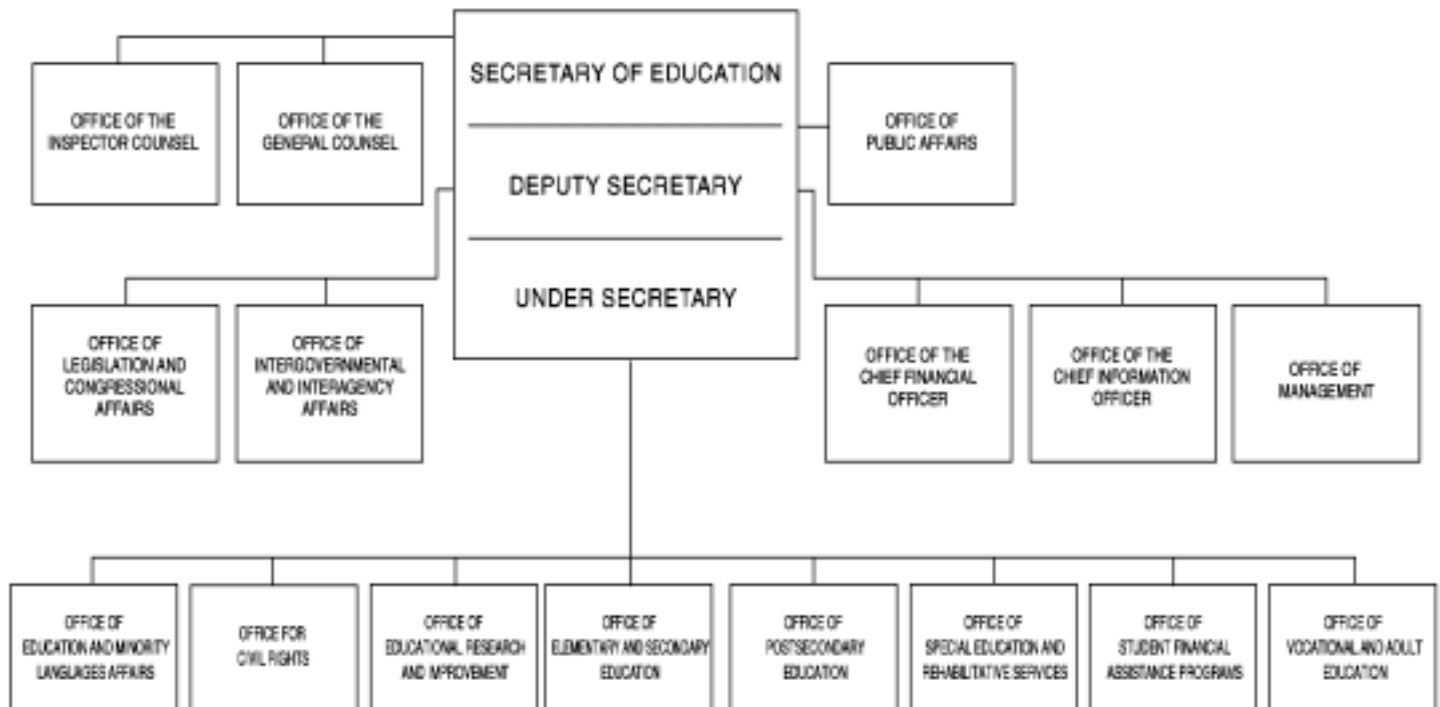(See the "PBO Briefing Document" tab.)

- Computer Sciences Corporation (CSC) was awarded contracts to consolidate and operate some of the ED's financial management systems. Task orders under these contracts totaled approximately $121 million and were awarded under the GSA Virtual Data Center contracts. Since 1998, CSC has been operating the National Student Loan System, the Postsecondary Education Participants System (PEPS), the Central Processing System, and the Campus-Based System. CSC's services under the task orders include data center migration, operations and technical support. Proposals to integrate Education's disparate management systems are likely to involve programs now outsourced to CSC. ED could benefit from vendors with expertise in analyzing the costs, benefits, and problems associated with migration from the current systems environment to an integrated, enterprise-wide application environment.

(See the "GAO Reports" and " Trade Press Articles" tabs.)

- CSC helped OSFA draft a Modernization Blueprint document to streamline Title IV systems and databases. In August 1999, OSFA awarded a share-in-savings contract to Andersen Consulting for the management and execution of the Modernization Blueprint. The Andersen team includes EDS, Affiliated Computer Systems, AFSA Data Corporation, Critical Path Consulting, Exolve Inc., and KPMG. For FY 2000, OSFA budgeted approximately $38 million for this contract. The modular approach of the Modernization Blueprint and the implementation plan is similar to the IRS' Prime Integration contract awarded to CSC in 1998. ED could benefit from vendors with expertise in rolling out large scale modernization projects and Title IV /V systems and databases as ED begins its modernization..

(See the "PBO Briefing Document" and "Trade Press Articles" tabs.)

Department of Education
Agency Overview

The Department of Education establishes policy for, administers, and coordinates most Federal assistance to education. Its mission is to ensure equal access to education and promote educational excellence throughout the Nation.

The Office of Bilingual Education and Minority Languages Affairs administers programs designed to fund activities that assist students with limited English proficiency. The Office administers 14 grant programs as well as contracts for research and evaluation activities to meet the special education needs of populations with limited English proficiency.

The Office of Civil Rights is responsible for ensuring that institutional recipients of Federal financial assistance do not discriminate against students, faculty, or other individuals on the basis of race, color, national origin, sex, handicap, or age.

The Office of Elementary and Secondary Education formulates policy for, directs and coordinates the Department's activities relating to preschool, elementary, and secondary education. The office administers grants to state educational agencies, school districts, post-secondary schools, and nonprofit organizations.

The Office of Educational Research and Improvement provides national leadership in expanding fundamental knowledge and improving the quality of education. The Office is responsible for conducting and supporting education related research activities; monitoring the state of education; promoting the use and application of research and development to improve instructional practices; and disseminating findings and providing technical assistance for specific problems at school sites.

The Office of Vocational and Adult Education administers grant, contract, and technical assistance programs for vocational-technical education and for adult education and literacy. The Office is also responsible for coordinating these programs with other Department of Education and Federal programs.

The Office of Education and Rehabilitative Services is responsible for special education programs and services expressly designed to meet the need and develop the full potential of children with disabilities. Programs include support for training of teachers and professional personnel; grants for research; financial aid to help states initiate, expand, and improve their resources; and media services.

The Office of Postsecondary Education formulates policy, directs and coordinates programs for assistance to postsecondary educational institutions and students pursuing a postsecondary education. Programs include assistance for improvement and expansion of American educational resources. Also included are programs for student financial assistance, including Pell Grants, Supplemental Educational Opportunity Grants, Grants to States, Work-Study, Federal Direct Student Loans, Stafford Loans, PLUS Loans, Consolidation Loans, and Perkins Loans.

Department of Education
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Department of Education
Systems Overview

- Education Central Automated Processing System (EDCAPS)

  EDCAPS is used by a dozen primary offices within the Department to prepare financial reports, issue purchase orders, prepare contracts, buy materials, and handle travel arrangements. EDCAPS resides on a 440-MHz Digital Equipment Corporation Alpha 8400 server running Microsoft Windows NT. EDCAPS runs on a Fast Ethernet LAN, with data residing in an Oracle relational database management system. EDCAPS has consolidated three legacy mainframe systems: the Primary Accounting System, the Education Management Payment System, and the Grants and Contracts Management System. EDCAPS is composed of three modules: the Grants Administration and Payment System (GAPS), which runs custom software; Contract and Purchasing Support Software, a customized version of the Standard Automated Contracting System from CACI, Inc.; and Financial Management System Software, a modified version of the Information Engineered Financial Accounting and Reporting Systems from Computer Data Systems Inc. EDCAPS has been in operation since 1998.

- National Student Loan Data System (NSLDS)

  NSLDS is a national database of information regarding loans and other financial aid awarded to postsecondary students under Title IV of the Higher Education Act. NSLDS provides a national source of current student-level, grant-level, and loan-level information that the Department and other Federal agencies use for research and to improve Title IV delivery. Data is accrued from many of the Department's loan and grant processing systems, Title IV accredited schools, and loan guaranty agencies. NSLDS has been in operation since 1994.

- Pell Grant Recipient and Financial Management System (PGRFMS)

  PGRFMS receives and processes student payment data as the basis for obligations to institutions. The system authorizes the distribution of over $6.4 billion to over 5,700 participating institutions and approximately 4 million students.

- Federal Family Education Loan Program (FFELP) System

  The FFELP System is composed of four major components: Interest Payment, Guaranty Agency Reinsurance, Federally Insured Student Loan, and Debt Collection. The interest payment component processes an estimated 122,000 transactions annually with approximately $2 billion in billings and fees. The guaranty agency reinsurance component processes payments to approximately 35 agencies for defaulted student loans, death disability and bankruptcy claims. The Federally insured student loan claims component processes claims for uncollectable principal and interest balances on student loans. The debt collections component processes nearly 15 million transactions annually in support of the collection of defaulted student loans.

- Direct Loan System

  The Direct Loan System performs loan origination, funds drawdown, loan servicing, financial accounting, and reporting for Federal direct loans. The system also supports program administration, program evaluation, and customer service.

- Impact Aid System

  The Impact Aid System processes payments through the Department's payment system to local education agencies in areas where tax revenue is reduced because of Federally owned land. The system accounts for approximately $750 million per year; processes approximately 15,000 applications, obligations and payments annually; and services over 2,500 school districts.

Department of Education
Systems and Budget Data

Department of Education Information Systems Budget

Information System	FY1998			FY1999			FY2000		
	M/D/E*	SS*	Sum*	M/D/E*	SS*	Sum*	M/D/E*	SS*	Sum*
Mission Area 1: Financial Management									
EDCAPS	16	0	16	0	13	13	5	12	17
All other Financial Management	0	4	4	0	1	1	0	1	1
Mission Area 2: Goals 1 and 2 of Strategic Plan									
All Other for Mission Area	0	2	2	0	3	3	0	4	4
Mission Area 3: Goal 3 of the Strategic Plan									
SFA	44	284	328	39	352	391	73	429	502
All Other for Mission Area	1	0	1	1	0	1	1	0	1
Mission Area 4: Goal 4 of Strategic Plan									
All Other for Mission Area	5	6	11	6	7	13	5	10	15
Mission Area 5: Civil rights, direct support									
All Other for Mission Area	0	1	1	0	1	1	0	2	2
Total	**66**	**297**	**363**	**46**	**377**	**423**	**84**	**458**	**542**

* M/D/E = Modernization/Development/Enhancement; SS = Steady State; Sum = M/D/E + SS.

Department of Education Systems and Applications**

Number of Operational Agency Financial Management Systems	Number of Operational Agency Financial Management Applications	Number of Applications in Development or Phased Implementation
18	22	1

Department of Education Operational Agency Applications**

Application Type												
Acquisition	Budget Formulation	Core Financial	Travel	Payroll Personnel Civilian	Payroll Personnel Other	Labor Distribution	Inventory Property	Inventory (Held for Sale)	Revenue	Loan	EIS	Other
0	0	11	1	1	0	0	1	0	0	4	0	4

** According to a 1998 CFO Council report. Operational agency applications omit systems in development.